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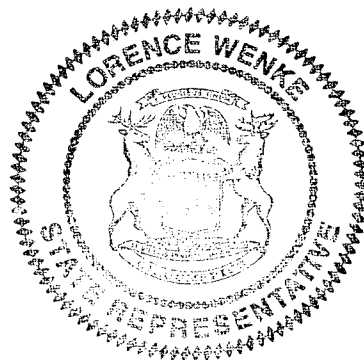
Ernest & Young Accounting recently published this chart of state and local taxes on business in all 50 states for 2005.

The results for Michigan businesses are:

- 45.1% of taxes are property taxes
- 17.1% of taxes are sales taxes paid on business inputs
- 11.4% of taxes are corporate income taxes (Michigan's Single Business Tax)
- 10.4% of taxes are for unemployment insurance
- 8.3% of taxes are for licenses and other taxes
- 4.8% of taxes are for excise and gross receipts
- 3.0% of taxes are individual income taxes on pass-through business income

Compared to the 50 state average percentage, Michigan's percentage is:

- 8.4% higher on property taxes
- 5.4% lower on sales taxes paid on business inputs
- 2.9% higher on corporate income taxes (Single Business Tax)
- 3.3% higher on unemployment insurance taxes
- 0.2% lower on licenses and other taxes
- 8.0% lower on excise and gross receipts taxes
- 0.8% lower on individual income taxes on pass-through business income



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TABLE A-2

Composition of State and Local Business Taxes, By Type, FY2005

State	Property Tax	Sales Tax on Business Inputs	Excise and Gross Receipts	Corporate Income	Unemployment Insurance Tax	Individual Income Tax (on Pass-Through Business Income)	Licenses and Other Taxes	Total Business Taxes
Alabama	24.4%	22.6%	25.9%	7.5%	6.1%	3.3%	10.2%	100.0%
Alaska	29.5%	0.0%	4.3%	23.2%	5.7%	0.0%	37.3%	100.0%
Arizona	39.8%	34.4%	9.7%	8.2%	2.9%	2.4%	2.7%	100.0%
Arkansas	29.9%	31.9%	12.6%	7.5%	8.9%	5.7%	3.5%	100.0%
California	27.5%	23.9%	13.3%	13.1%	7.9%	6.1%	8.2%	100.0%
Colorado	37.9%	31.3%	8.8%	4.4%	6.6%	6.3%	4.7%	100.0%
Connecticut	36.7%	24.3%	10.6%	8.6%	9.7%	7.0%	3.2%	100.0%
Delaware	12.8%	0.0%	10.4%	13.5%	4.2%	3.5%	55.7%	100.0%
Florida	36.3%	24.1%	24.8%	6.1%	4.0%	0.0%	4.7%	100.0%
Georgia	37.9%	31.4%	9.7%	5.5%	6.3%	5.4%	3.8%	100.0%
Hawaii	26.7%	32.3%	19.9%	6.6%	6.3%	4.1%	4.0%	100.0%
Idaho	41.5%	19.9%	9.5%	7.1%	7.9%	6.2%	7.9%	100.0%
Illinois	39.4%	14.0%	18.3%	9.9%	9.8%	2.4%	6.1%	100.0%
Indiana	57.1%	17.2%	6.0%	8.8%	6.1%	3.2%	1.6%	100.0%
Iowa	55.0%	16.0%	8.2%	4.2%	6.2%	3.9%	6.4%	100.0%
Kansas	44.9%	25.0%	9.6%	4.1%	7.3%	3.6%	5.5%	100.0%
Kentucky	26.2%	23.3%	15.8%	9.2%	6.9%	5.3%	13.2%	100.0%
Louisiana	23.5%	43.0%	10.9%	4.6%	2.2%	2.7%	13.2%	100.0%
Maine	57.5%	15.7%	7.9%	6.2%	4.2%	4.3%	4.3%	100.0%
Maryland	39.5%	13.0%	15.3%	9.7%	6.1%	5.8%	10.6%	100.0%
Massachusetts	44.2%	12.9%	7.0%	12.4%	14.2%	5.7%	3.5%	100.0%
Michigan	45.1%	17.1%	4.8%	11.4%	10.4%	3.0%	8.3%	100.0%
Minnesota	41.2%	18.7%	12.6%	9.5%	8.4%	3.8%	5.8%	100.0%
Mississippi	40.6%	26.2%	10.7%	10.0%	4.0%	2.7%	5.8%	100.0%
Missouri	32.4%	29.3%	15.0%	3.8%	6.6%	4.4%	8.5%	100.0%
Montana	53.9%	0.0%	14.4%	7.9%	6.1%	6.2%	11.5%	100.0%
Nebraska	42.9%	27.5%	8.6%	6.4%	4.3%	4.7%	5.8%	100.0%
Nevada	31.2%	27.9%	16.3%	0.0%	7.2%	0.0%	17.4%	100.0%
New Hampshire	54.5%	0.0%	14.5%	19.0%	3.7%	0.2%	8.1%	100.0%
New Jersey	39.8%	15.1%	10.6%	14.9%	9.9%	3.7%	6.0%	100.0%
New Mexico	15.8%	36.3%	9.9%	6.6%	2.6%	2.5%	26.1%	100.0%
New York	38.8%	23.8%	8.7%	12.5%	5.9%	7.0%	3.3%	100.0%
North Carolina	29.6%	21.3%	15.0%	11.6%	10.1%	5.3%	7.2%	100.0%
North Dakota	35.8%	13.4%	12.3%	6.0%	4.6%	2.5%	25.4%	100.0%
Ohio	37.8%	22.5%	9.2%	7.8%	5.6%	4.1%	12.9%	100.0%
Oklahoma	21.3%	30.8%	9.4%	4.0%	6.0%	6.9%	21.6%	100.0%
Oregon	42.0%	0.0%	10.0%	8.5%	18.0%	8.9%	12.6%	100.0%
Pennsylvania	31.0%	15.8%	13.4%	8.9%	12.8%	4.0%	14.1%	100.0%
Rhode Island	45.4%	20.3%	12.7%	5.9%	9.4%	3.3%	3.0%	100.0%
South Carolina	49.6%	19.5%	10.6%	4.8%	5.6%	3.4%	6.6%	100.0%
South Dakota	45.4%	31.2%	10.1%	3.7%	1.4%	0.0%	8.2%	100.0%
Tennessee	32.4%	30.5%	9.9%	9.4%	5.5%	0.2%	12.1%	100.0%
Texas	45.0%	24.5%	13.5%	0.0%	3.9%	0.0%	13.1%	100.0%
Utah	31.8%	27.6%	15.1%	6.9%	6.9%	6.1%	5.7%	100.0%
Vermont	53.7%	11.7%	15.7%	6.5%	5.0%	3.7%	3.6%	100.0%
Virginia	37.4%	13.7%	20.7%	6.0%	5.2%	4.8%	12.3%	100.0%
Washington	23.6%	45.4%	15.1%	0.0%	11.3%	0.0%	4.6%	100.0%
West Virginia	32.8%	11.3%	22.9%	10.3%	5.1%	2.9%	14.6%	100.0%
Wisconsin	45.4%	18.5%	8.9%	9.4%	7.0%	3.8%	7.0%	100.0%
Wyoming	33.3%	18.5%	3.2%	0.0%	1.7%	0.0%	43.4%	100.0%
Washington, DC	37.3%	14.9%	14.2%	9.5%	5.6%	8.4%	10.0%	100.0%
United States	36.7%	22.5%	12.8%	8.5%	7.1%	3.8%	8.5%	100.0%

Source: E&Y Calculations
Amounts may appear not to sum due to rounding.